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3 January 1957

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Suggestions for Improvement of the Central Intelligence Agency

1. The attached is the result of many weeks careful thought and deliberation; a product of the experience of nearly four years as Inspector General of the Agency and of close to fourteen years in intelligence work. It is an effort on my part to suggest steps to improve the Agency and better the work of the intelligence community. While thoughts and suggestions were received from other members of my staff--and naturally in the course of our work we hear ideas from all over the Agency--the authorship is exclusively mine and nobody else has seen the only other copy which exists.

2. As you know, I conceive the work of an Inspector General to be primarily directed toward suggested ways for bettering the Agency while at the same time being alert to any errors or wrongdoings. During 1956 the staff of the Inspector General surveyed nine components of the Agency, ranging in size from the immediate office of the DD/S to the Office of Communications, the largest in the Agency. These included five DD/I elements, two DD/S and two DD/P. In all, on these surveys, we made a total of 343 recommendations. The units surveyed concurred in full with 53.5 percent of these recommendations, concurred with qualifications on another 13.9 percent for a total of 67.4 percent, and nonconcurred in 24.2 percent. The balance required further study. This would indicate that more than 200 recommendations made by this staff during 1956 have been or are being implemented.

3. I believe that the attached recommendations involve basic and fundamental principles related to the organization and policies of CIA. In presenting the case for each I have necessarily been brief, to save your time, but each could be documented at length. I believe these recommendations to be worth your personal attention for all of them affect the Agency as a whole. Indeed, these recommendations can be implemented only by your orders.

/s/

Lyman B. Kirkpatrick
Inspector General

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3. EXECUTIVE DIRECTOR

You will recall that in my memorandum of 3 February 1955 (followed by one on 21 July 1955) one of the points that I raised was the question of whether the position of Executive Director in the Agency should not be re-established. Since that time this recommendation has been made by the Clark Task Force, and by the President's Board of Consultants to the President last month.

There are two basic factors which to my mind strongly recommend the establishment of the position of Executive Director. First, with the number of high level contacts required of the Director of Central Intelligence and the number of inter-Agency meetings and boards which he or his deputy must attend, it is to my mind extremely difficult for him to see that his policies and decisions are promptly and efficiently executed. Secondly, with the increased interest of the President's Board and the President in the DCI's taking a more active interest and aggressive position in coordination, elimination of duplication and economy in the intelligence community, the inter-Agency burdens on the DCI and the DDCI will be considerably greater. All of this is made even more true by the fact that CIA has evolved into an agency with three major and practically autonomous components under individual Deputy Directors. That is not to say that these three components do not enjoy good relations with each other, but the fact remains that there is no coordinating point and that in many instances over the last several years it has fallen upon the Inspector General to try and work out areas of disagreement in view of the fact that there is a normal and natural reluctance on the part of the Deputies to allow their disputes to be carried to you or the DDCI. Finally, sound organization has the DDCI as your alter ego, to act in your absence or for you and to solve your burdens of office.

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For your information, here are a few of the areas in which an Executive Director could save this Agency and the Federal Government considerable money and improve the efficiency of our work immeasurably.

(a) Travel: no one person monitors the travel of Agency officials, and no Deputy Director is in a very good position to tell another Deputy Director that his personnel shouldn't travel. To cite just one illustration--the [REDACTED] had 76 visitors in one month, a rather serious handicap to getting their required job done.

(b) Regulations: if a regulation is not agreed upon by all of the subordinates of all the Deputy Directors, it generally isn't issued. The best illustration of this is the fact that it has taken over one year to get a regulation issued on the language incentive program.

(c) T/O's and Budgets: under the present system each component prepares its own T/O and budget. These are processed throughout the appropriate offices and issued. There should be one focal point on both which will weigh the priorities and see that the most important jobs are done rather than trying to do everything, which only dissipates our valuable assets and manpower.

(d) Publications: there are literally no controls over a unit issuing either an intra or inter-Agency publication. The result is that there are literally hundreds of publications being issued in the Agency today at not only monetary but manpower and paper expense.

(e) Economy: the President has stressed economy. There are many that could be effected in CIA--some minor and some larger. For

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example: two years ago I questioned why the Cable Secretariat should send cables several times a day to these offices in new manila envelopes--two to each delivery--when the same or routing envelopes could be re-used. We asked the Management Staff to look into it and they did, but nothing was ever done about it. Admittedly this would have saved only several hundred dollars a year, but my Scottish ancestry has always lead me to believe that savings start in small amounts.

I believe that the recommendation of the President's Board should be implemented and that an Executive Director should be established immediately under you and the DDCI to see that the policies and decisions which you enunciate are carried out. I am convinced that within a reasonably short period of time this action would demonstrate its value.

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4. STREAMLINING DCI'S PERSONAL OFFICE

For some time I have felt that you do not get the maximum benefit out of the number of people that work directly for you and that you do not receive the speed and efficiency in the handling of paper work and people that you would like. It seems to me that some streamlining would achieve better results and make papers and appointments flow more smoothly. I mentioned this to you before your trip and believe you generally agree.

For example, the Executive Registry was created solely to handle the papers of the Director's Office. It remains largely that today, although the Director's Office per se has been expanded. But there is complete duplication between the files in your outer office and the files in the Executive Registry four doors away, with the single exception of your personal correspondence. I would combine the two sets of files, move the Executive Registry into closer proximity to your own office, relieve your immediate secretarial staff of filing responsibilities, and have the head of the Executive Registry nearby to quickly obtain any correspondence you desired. Your personal files I would handle within the same system but would have only your personal secretary, the head of the Executive Registry, and one file clerk allowed access to these files.

It is inconceivable to me that if, as we are told, each Deputy's office is responsible for seeing that only finished staff work is forwarded to your office, that it should require four assistants plus 10 secretaries to handle this material for you and the DDCI. Further, it is also difficult for me to believe that as much time is required for the preparation of memoranda which you desire or answers to your correspondence as is often indicated. Finally, I am baffled why four administrative officers are required in your office (one each for the DCI, IG, SA/EC and Cable Secretariat).

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In addition to all of this type of assistance, I believe that we could utilize your immediate security staff better than is being done at the present. I hesitate to mention this because I know that you were reluctant originally to accept this staff, and I would not wish you to construe this as any indication on my part that it is not wholly desirable. I believe it most important that you receive this protection, but I do feel we could do more to keep the boys busy helping around the office at some type of jobs. This is particularly true inasmuch as there are a total of seven personnel involved, working in shifts.

I recommend that you authorize me to make a thorough study of the paper work and procedures in your office as I am sure that greater efficiency can be achieved, as well as economies.

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5. DD/P ORGANIZATION

Each survey that the IG Staff has conducted of a DD/P area division underlines the points made in my memoranda of 31 December 1953 and 9 August 1955. In these studies emphasis was placed on the fact that reorganization of the senior staffs in the DD/P could effect major economies in manpower. I believe it would be correct to state that the contribution made particularly by the PP, FI and CI Staffs to the work of the divisions has been diminishing rather than increasing in the past years.

It should be clearly understood that I am not contesting the validity of senior staffs per se. I am disputing their continued organization on functional lines which to my mind only continues some of the ills of pre-merger days. The Doolittle study group recommended a reorganization in DD/P. This major recommendation is one of the few that was never acted upon to any degree. The creation of the CI Staff only further aggravated the situation rather than affording any relief. The result is that each area division maintains a large staff superstructure as much for liaison and protection in regard to the DD/P senior staffs as for any effective contribution made on the work of the field. By elimination of the present staffs, with all operating authority placed in the area divisions, and the creation of new staffs along the traditional lines of operations, plans, intelligence support and operational support, we would make a great step forward.

I do not believe that I can improve upon the suggestions set forth in the memorandum of 9 August 1955 as to how this should be done, but I recommend that it be done.

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6. AGREED ACTIVITIES

This continues to be the most difficult problem in inter-Agency relations, particularly between CIA and G-2. Now that the President's Board has taken a very active interest in this subject, it is most important that there be aggressive efforts to coordinate clandestine collection in Washington and especially in the field.

I can speak with considerable personal knowledge on this subject having been directly involved in 1951 and 1952; having drafted the first amendment to NSCIB/5 with Brig. Gen. John Magruder in 1951; and having followed the progress carefully, if at a distance, the last four years. I am convinced that the trouble can be corrected only by determined command action for:

- on the one side, there are those in CIA who feel that espionage and counterespionage should be an exclusive CIA monopoly, that the competition for useful agents leaves barely enough for CIA, and that any revelation of sources or agents to the military is not only operationally insecure but would not be used in good faith;

- on the other, the military feel that they are required to conduct clandestine operations for their own protection and that if they reveal their sources and agents to CIA, they will be taken over inasmuch as CIA doesn't want to coordinate but wants to run the operations.

Obviously, there is truth and error on both sides, but that does not absolve CIA from its coordination responsibilities. It is increasingly important now that the [REDACTED]

[REDACTED] and as long as such absurd situations exist as our TBS producing

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Improvement in CIA relationships with the military services in general and the army in particular should be a priority objective for 1957, for the absence of a good working relationship between certain elements of the Agency and the military is the root cause of the relatively ineffective implementation of DCID 5/1, and the lack of coordinated planning to meet the wartime requirements for FI-type operations.

In the DD/P area, relationships with the military, both in the field and at Headquarters, are adversely affected by the following factors:

- a. Direct contact with the military is too often concentrated in the hands of military officers who are with the Agency on a retired basis or on a normal tour of duty, whereas it is the civilians, particularly these in FI, who would be "educated" by such contacts.
- b. Contacts between CIA and the military are largely concerned with U/W and related matters with the result that they are largely confined to the G-3/JSPD elements of the military services rather than with the intelligence elements. For example, there is a close, warm and continuing relationship between WPD/PPC and the Brown Team of the Joint Staff and with JSPD; on the other hand, there is practically no contact with the Rainbow Team of the JIG. Contacts between FI and G-2 in Washington do not appear to be close, warm or continuing on a day-to-day basis.

c. With respect to Agreed Activities, Agency relationships with the military appear to be largely in the hands of those same operational types who were from the start, and generally remain, opposed to the basic philosophy behind DCID 5/1.

As the leader in the intelligence community, CIA must take the lead in implementing Agreed Activities and be the first to meet all of its obligations under DCID 5/1. Only then can we cast the first stone. We cannot make people like each other; we cannot legislate cooperation and we cannot change the spots of the leopards on either side of the issue, BUT, we can direct our people to take the specific action called for under the agreement and report the results.

It is recommended that you issue a directive to DD/P substantially as outlined below.

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7. CLOSER LIAISON BETWEEN DD/P AND DD/I

For some time I have felt that our compartmentation has jeopardized the exchange of valuable information which could assist the Board of Estimates or the Office of Current Intelligence. In many instances this information is not of a nature that would be published in Clandestine Services intelligence reports but is the type of general knowledge that senior officers in the

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Further, I believe that closer liaison between key men in DD/I and those in DD/P would benefit the Clandestine Services by enabling them to get a first-hand knowledge of the intelligence gaps and therefore the requirements of the intelligence producing offices. I recognize that in this increased liaison the intelligence should be closely held so that operations will not be jeopardized on the one hand, or that our highly qualified estimates not be given too broad dissemination on the other.

I recommend that the following action be taken:

(1) that biweekly or monthly meetings be held to review critical areas or crisis situations with the DD/I represented by the Chairman of the Board of Estimates, [REDACTED] and perhaps one or two other members of the Board, plus the necessary key heads of areas in OCI and that the DD/P be represented by the seven Area Division chiefs; and

(2) that the Chief of Reports in each Area Division in the DD/P set up a system of weekly or biweekly meetings with his opposite number in OCI for regular discussions of incoming material and information needed.

8. RELATION BETWEEN INTELLIGENCE AND POLICY

This is a subject which obviously has excited the interest of the President's Board of Consultants. You will recall that in the memorandum of 3 February 1955 I expressed concern over the danger of CIA becoming too closely connected with policy making and thereby jeopardizing the objectiveness of intelligence and exposing the Agency to the type of politically partisan attack that is usually directed at the makers of policy. I mentioned at that time our active participation in the NSC Planning Board and several other items.

The present attack on the administration concerning recent events in the Middle East has, as you know, tended to make the point that there was an intelligence failure. This, of course, immediately opens the arena to a discussion as to what is an intelligence failure and what is a command failure. Rather than engage in philosophical analysis of that nature, the principal point here is to inquire as to whether the United States Government has the best possible mechanism for utilizing intelligence information in foreign policy decisions.

Obviously, major steps forward in this regard have been made in the last 15 years. National Estimates now embody the major conclusions of the United States intelligence community. These reports and the Current Intelligence Bulletin are delivered to the top policy makers of the government. If any weaknesses exist, it is in the area of what action is taken as a result of an intelligence estimate or report. To my mind it would be a grave error for either the DCI to sit as a member of the NSC and thus become responsible at least by association for security policy decisions, or, on

the other hand, for the intelligence community to recommend what action should be taken. If the latter is done, then the intelligence community might become subjective in its approach to information and more inclined to search for facts that would back up a previous recommendation than to report information objectively and factually.

It would seem to me that the NEC Planning Board and the OCB are two already constituted bodies that could insure that intelligence reports receive due consideration.

I therefore recommend:

(1) that the NEC Planning Board and the OCB discuss this matter and determine whether they feel they are duly constituted to see that intelligence reports and estimates are acted upon; and

(2) that consideration be given to possibly requiring from the above bodies or the Departments of State and Defense a follow-up report which would indicate that an estimate had been given due consideration and the necessary adjustments made in policy.

9. PLANNING

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With due consideration given to Mr. [REDACTED] who I consider to be one of the brightest and most able men I have encountered in the government, I do not feel that the Agency is receiving today the type of long-term planning that is required. As you will recall, the original concept of the [REDACTED] Staff was that it should represent, but not replace, the planning elements of the three Deputies. Further, it was believed that this staff and these individuals should remain divorced from the day-by-day activities of the Agency so that they could analyze potential developments and prepare the Agency for forthcoming intelligence targets. All of this was discussed and outlined in a paper prepared by myself and the three Deputies and was given to Mr. [REDACTED] on his arrival in the Agency. Unfortunately, AQUATONE and other pressing items such as PBSUCCESS have occupied more of Mr. [REDACTED] time than long-term planning.

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I still believe that the Agency needs an ivory-tower group of qualified and able individuals looking toward the future. This is particularly true today with unrest in the Satellites affording us many opportunities to continue the breakdown of the Soviet regime. In addition, with the increased emphasis of inter-agency coordination, your Special Assistant for Planning and Coordination should be the focal point for backstopping you and the DDCI in regard to coordination.

I, therefore, recommend the following action:

- (1) that the Special Assistant to the Director for Planning and Coordination be reinforced and enjoined to engage in long-term planning.

There are still certain major dangers inherent in CIA's dealings with the press. I should immediately add that I believe we have made great progress under the persistent guidance of Colonel Grogan to regularize the relations with the press, and that your program of receptivity to approaches from the press is important and valuable in maintaining good public relations, which as you know I consider to be essential.

On the other hand, there is still a tendency in some areas of the Agency to try to influence articles and items published within the United States. I consider this to be very dangerous not only because of the highly sensitive attitude of the press toward maintaining its integrity, but also because of the general view in the Congress that no government agency should try to influence U.S. public opinion. Further, on foreign affairs matters I feel very strongly that the Department of State should be the sole authoritative view in Washington. Of course it is easy for us to speak with authority on the same subjects as State, and the press is always searching for an eager voice and also one that is bright and intelligent and often more willing to speak. In this regard, I am particularly concerned about the number of times the individuals in the DD/I's immediate office see newspapermen.

I therefore recommend that the following action be taken:

- (1) that no official of this Agency, with the exception of yourself and the DDCI, be permitted to see a newspaperman to discuss Agency material or foreign affairs unless Colonel Grogan is present;
- (2) that your program of seeing the press as often as your time will permit and having occasional background meetings with representative members of the press be continued; and
- (3) that no element of the Agency be permitted to approach

the press for the purpose of securing any action without prior coordination with Colonel Grogan and specific approval by either yourself or the DDCI.

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11. COVER

The Inspector General's staff has prepared two detailed studies, on 13 April 1954 and on 1 August 1955, on the specific subject of cover. While it is true that we have made some progress in this regard, I regret to say that the progress is not what it should be and that we have several major problems. The problems are:

(1) That new employees being brought into the Agency are not properly briefed as to what to say about whom they are working for and what they are doing, and consequently often make embarrassing or ridiculous statements that do not reflect well upon the professionalism of the Agency.

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12. Paper Work

One of the special studies made by the last Hoover Commission was on the subject of government paper work. In each of my periodic lectures to the Office of Training's Basic Management Course I quote some of the statistics from this report, such as: that it would require 7 Pentagons to house nothing but the government's files, that there are 4 billion letters written by the government each year at a cost of \$1.00 a letter, that each tax-paying family of four contributes about \$400.00 a year to government paper work.

As you are probably painfully aware, the paper work within the CIA is too voluminous. I mentioned in one of the previous points that there is no central control over our publications. I also mentioned that there are difficulties in coordinating regulations, but did not note that we have been sending out 69 copies of each regulation for coordination. Many memoranda are written in the Agency when a telephone call would suffice, but too many of our employees feel that they can't get action unless they put it in writing. The volume of our regulations, which now number more than 950, are indicative of using paper often as a substitute for judgment.

At the time of the issuance of the Hoover Commission Report the White House requested all agencies to take action to cut down on the volume and flow of papers. From long experience in trying to cope with the unending flow of papers, I am convinced that reduction cannot be achieved by any other method than actually specifically indicating the types of documents, memoranda, notices, etc. that should not be written.

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I, therefore, recommend, that the following action be taken:

(1) that all Agency files be surveyed on a unit-by-unit basis and each unit told exactly what files it can and cannot maintain; and

(2) that if an Executive Director is created he be empowered to exercise, on your behalf, authority over what should and should not be issued on paper.

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